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September 19, 2007

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
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Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

SACRAMENTO UPDATE

Pursuit of County Position on Legislation

SB 1002 (Perata), as amended on September 6, 2007, appropriates a total of \$610.9 million in funding from Proposition 1E (The Disaster Preparedness and Flood Prevention Bond Act of 2006), Proposition 84 (The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006) and Proposition 50 (The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002) to the Department of Water Resources (DWR) and the State Department of Public Health (DPH) for a variety of water projects, particularly related to the Sacramento-San Joaquin Delta.

Specifically, SB 1002 appropriates \$200 million from Proposition 1E for the following:

- 1) \$50 million for essential Delta emergency preparedness supplies and projects; and
- 2) \$150 million for stormwater flood management projects to reduce flood damage and provide other benefits (groundwater recharge and water quality improvements). Out of the \$150 million allocation, at least \$100 million must be used for projects that address immediate public health and safety issues (seismic safety of existing flood control facilities), at least \$20 million for water quality projects to prevent sewage discharges into State waters, and at least \$20 million must be used in the northern San Francisco Bay area and Marin County.

In addition, SB 1002 appropriates \$407.4 million from Proposition 84, including: 1) \$50 million to DPH for small community drinking water system infrastructure improvements and actions to meet safe drinking water standards; 2) \$50.4 million to DPH for grants to prevent or reduce groundwater contamination; 3) \$40 million from integrated regional water management funding for administrative costs, planning grants and local groundwater assistance grants; 4) \$50 million from Delta drinking water quality funding for relocation of existing Sacramento-San Joaquin Delta water intake facilities that meet certain criteria; 5) \$60 million from flood control funding to respond to levee breaches and reduce the risk of future levee failure; and 6) \$100 million from levee funding for the acquisition, preservation, protection, and restoration of Sacramento-San Joaquin Delta islands.

The remainder of the \$407.4 million appropriated from Proposition 84 is proposed to be allocated as follows: 1) \$12 million from Statewide water planning and design funding for feasibility studies associated with new surface storage; 2) \$15 million from Statewide water planning and design funding to develop options to re-operate the State's flood protection and water supply systems to optimize the use of existing facilities and groundwater storage capacity; 3) \$10 million from Statewide water planning and design funding to update the California Water Plan including evaluation of climate change impacts, strategies to adapt to climate change and minimize greenhouse gas emissions related to the storage, conveyance, and distribution of water; 4) \$10 million from Statewide water planning and design funding for planning and feasibility studies for projects to reduce ecosystem conflicts in the Sacramento-San Joaquin Delta; and 5) \$10 million from beach/waterway protection funding to the State Coastal Conservancy for projects on the Santa Ana River.

SB 1002 also appropriates \$3.49 million from Proposition 50 for planning and feasibility studies associated with surface storage under the California Bay-Delta Program. The bill would require the State Water Resources Control Board to develop pilot projects and studies and recommendations to address nitrate contamination of groundwater, particularly for communities that rely on groundwater in the Tulare Lake Basin and the Salinas Valley.

Of particular interest to the Department of Public Works (DPW) is the provision in SB 1002 which allocates \$150 million of Proposition 1E funds to DWR for grants for stormwater flood management projects that reduce flood damage and provide other benefits, including groundwater recharge, water quality improvement, and ecosystem restoration. This section requires at least \$100 million to be available for projects that address immediate public health and safety needs and strengthen existing flood control facilities to address seismic safety issues. DPW indicates that one such project that could potentially benefit from the proposed \$100 million allocation is the County's Big Tujunga Dam Rehabilitation Project, for which DPW is seeking approximately \$44.25 million in Proposition 1E funds. Therefore, DPW indicates that it is supportive of SB 1002.

Support for SB 1002 is consistent with existing policy to 1) support proposals which promote environmentally-friendly flood control improvements and projects, and do not diminish the

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performance of flood control systems, and 2) support legislation to encourage water conservation and increase the efficiency of water use. **Therefore, our Sacramento advocates will support SB 1002.**

SB 1002 is supported by the City of Los Angeles, Los Angeles Department of Water and Power, Metropolitan Water District of Southern California, Natural Resources Defense Council, and Nature Conservancy. This bill is opposed by the Department of Water Resources, Mojave Water Agency, and Western Municipal Water District. SB 1002 passed the Senate Floor on September 12, 2007 on a partisan vote of 26 to 13, and is currently on the Governor's Desk awaiting action.

Status of County Advocacy Legislation

County-supported and amended AB 1053 (Nuñez), which would have provided for the allocation of \$850 million of the Affordable Housing Initiative Fund contained in the Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition 1C), was amended on September 7, 2007 to delete all references to appropriations and add language to the definition of "eligible applicant." The revised definition would include a city, county, city and county, public housing authority, or redevelopment agency that has jurisdiction over a qualifying infill area and applies for funding jointly with an owners' association for a business or property improvement district that includes a qualifying infill area. Appropriations for Proposition 1C were included in the Housing Trailer Bill (SB 86). **County support for AB 1053 was based on its appropriations which were deleted; therefore, the County will remove its support position on AB 1053 and adopt a neutral position on this bill.** AB 1053 passed the Assembly on September 12, 2007 and is currently on the Governor's Desk awaiting action.

We will continue to keep you advised.

WTF:GK
MAL:IGA:acn

c: All Department Heads
Legislative Strategist
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Coalition of County Unions
California Contract Cities Association
Independent Cities Association
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